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MONDAY, DECEMBER 7, 1987

Telephony

INTEGRATING VOICE AND DATA COMMUNICATIONS

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BELL MANAGERS EYE ROSY EARNINGS Education

is the ticket to steady earnings growth at the BOCs,salary survey shows

FCC SETS STAGE FOR SHOWDOWN Seeks

comments on whether to challenge Greene

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ISDN ENTERING CRITICAL PHASE, SAYS IRMER Carriers

must prove it is economically viable

MONDAY, DECEMBER 7, 1987 Volume 213, No. 23

Telephony

INTEGRATING VOICE AND DATA COMMUNICATIONS

There's money to be made at the BOCs—at least that's what Telephony's exclusive salary survey found. And it's education that is the key to the gold at the end of the rainbow. Cover art by Michael Sonnenfeld

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Bell managers eye rosy earnings prospects

BOC middle managers can look forward to steady earnings growth during their careers, even if they don't break into upper management. And it is education that makes that BOC paycheck bulge

CZATDANA INAN, MARKET RESEARCH DIRECTOR
LARRY LANNON, EDITOR

Let's talk facts here.

Facts about money. About careers. About age, gender and education. Facts about the Bell operating companies: What they pay; who they pay; why they pay.

- Education is the key to success for middle level BOC managers.
- Age is a much less potent factor in earnings performance, though age, experience and seniority are closely intertwined.
- By a wide margin, most BOC middle managers are male.
- Middle level BOC managers can reasonably hope to earn $60,000 and $95,000 per year.
- Senior BOC managers do not like to divulge earnings information, even when the survey is kept confidential.

These facts are demonstrated by a salary survey conducted by *Telephony's* Market Research Department this autumn. (See explanation of methodology on opposite page.)

The Money, the People

Money flows up organizational charts. This iron law of financial gravity is true for all businesses, including the BOCs.

TABLE 1 BELL OPERATING COMPANIES MANAGEMENT LEVELS VS. AGE, EDUCATION AND SALARIES

% Total Sample (Base: 449)		Salary Distribution							Age In % Level	Median Age	Education			
		−$45K	+$45K	+$60K	+$80K	+$95K	+$110K	+$125K			High School	College	Post Grad	No Ans.
21%	Asst. Managers													
	45 or less	44%	6%						50%	40	23%	19%	7%	1%
	Over 45	31%	9%	2%					43%	49	27%	14%	2%	
	No age given	5%	2%						7%		5%	1%	1%	
47%	Managers													
	45 or less	16%	34%	2%					52%	39	16%	26%	10%	
	Over 45	8%	32%	2%					42%	52	25%	13%	4%	
	No age given	2%	2%	2%					6%		2%	2%	2%	
15%	District Managers													
	45 or less		12%	30%					42%	39	9%	18%	15%	
	Over 45		24%	26%					50%	51	8%	32%	11%	
	No age given		3%	5%					8%			3%	5%	
4%	Division Managers													
	45 or less			17%		11%			28%	40			28%	
	Over 45			22%	44%	6%			72%	54	6%	50%	17%	
13%	Asst. Directors/Directors													
	45 or less	2%	19%	8%	3%	3%	3%		39%		2%	20%	17%	
	Over 45		24%	14%	2%	10%	2%		51%	42	8%	19%	24%	
	No age given		5%	3%				2%	10%	53	2%	5%	3%	

The people at the upper levels of the BOC charts are usually males who generally are over 50 years of age. Gender plus age largely determine earnings at BOCs.

The BOC earnings equation isn't quite that simple, however. Two other factors are involved.

First, age and experience are related both logically and in BOC employees' paychecks. But age alone will not ensure a larger paycheck. Experience is what counts at the bank. In addition, women have entered the industry in unprecedented numbers since the early 1970s, so many women managers would only now be approaching 15 years or so of experience.

Second, education is the dominant factor in determining earnings at the BOCs. Education is not necessarily the exclusive province of older, male employees.

Well-educated younger male employees with an adequate amount of experience can optimistically anticipate promotions and pay raises. Women who combine education and experience probably can, too.

The obvious relationship between gender and age on the one hand and earnings performance on the other reflects the current situation but may well distort the dynamic factors reshaping management groups.

On the Table

The stakes in the struggle for promotions and higher salary are nothing to be sneezed at.

For instance, managers, the second most junior of the five categories isolated in Table 1, are usually under 46 years old and usually make between $45,000 and $60,000 per year.

Higher up the organizational chart, 44% of division managers earn between $80,000 and $95,000 per year. A full 17% of division managers earn between $95,000 and $110,000 per year.

At the top of the survey's chart, directors report a wide variety of salaries. In fact, the salary range in this segment is the most diversified of any reporting segment.

Surprisingly, 2% earn less than $45,000 per year. A full 73% earn between $45,000 and $80,000 per year. Another 23% earn between $80,000 and $125,000 per year. And a blessed 2% of directors earn more than $125,000 per year.

Since assistant vice presidents, vice presidents and presidents are senior to directors and presumably earn more, our survey suggests that upper management at the BOCs is being well-compensated.

Break It Down

The most interesting part of the survey is not expressed in dollars. The real BOC earnings story lies in the dynamic factors that shape earnings performance: gender, age and education.

Figure 1 demonstrates the norms for the

Methodology

Telephony's BOC salary survey was conducted by *Telephony's* Market Research Department.

The survey is based on a nationwide sample of 1000 assistant managers through presidents of the 22 BOCs.

Identical and anonymous questionnaires were mailed to the sample on Sept. 14, 1987. As of Oct. 30, 449, or 45%, of the recipients had responded.

Respondents were asked to identify which part of the country they are from (Northeast, Southeast, Midwest and West). The geographic breakdown of respondents was as follows: One hundred thirty respondents, or 29% of the total, were from the West and another 130 were from the Northeast; 65 respondents, or 14%, were from the Southeast; and 124 respondents, or 28%, were from the Midwest.

The return, with one significant exception, reflected the original sample in terms of management levels and regions. The exception was the senior management response.

Presidents, vice presidents and assistant vice presidents comprised approximately 10% of the total sample. Only two responded. Since the response in this segment was so low, they were not factored into the survey.

Respondents were divided into the five groups represented in Table 1: assistant managers, managers, district managers, division managers, and assistant directors and directors. For purposes of analysis, assistant managers and managers were grouped to put together the information summarized in Figure 2. Managers and district managers were grouped together to compile the information summarized in Figure 3.

This is the second local exchange carrier industry salary survey *Telephony* has published this year. The first was devoted to the Independent segment of the industry (*Telephony, Sept. 1, page 32*).

entire population of respondents.

Figure 2 shows the same factors for both managers and assistant managers.

Figure 3 reviews the same information for district and division managers and Figure 4 covers assistant directors and directors.

In other words, Figure 2 corresponds to the lowest level of respondents, Figure 3 to the middle level and Figure 4 to the highest level.

Gender. Over the total sample, 7% of the respondents identified themselves as women. Another 1% did not answer this part of the survey. In the composite assistant-managers-and-managers category, 8% of the respondents identified themselves as women and 1% did not answer the question. In the composite district-and-division-managers category, all respondents answered the question and 8% identified themselves as women. Among assistant directors and directors, every respondent answered the question and 2% were women.

The survey suggests that there is a core group

FIGURE 1 THE TOTAL BOC RESPONSE
TOTAL SAMPLE
Base = 449

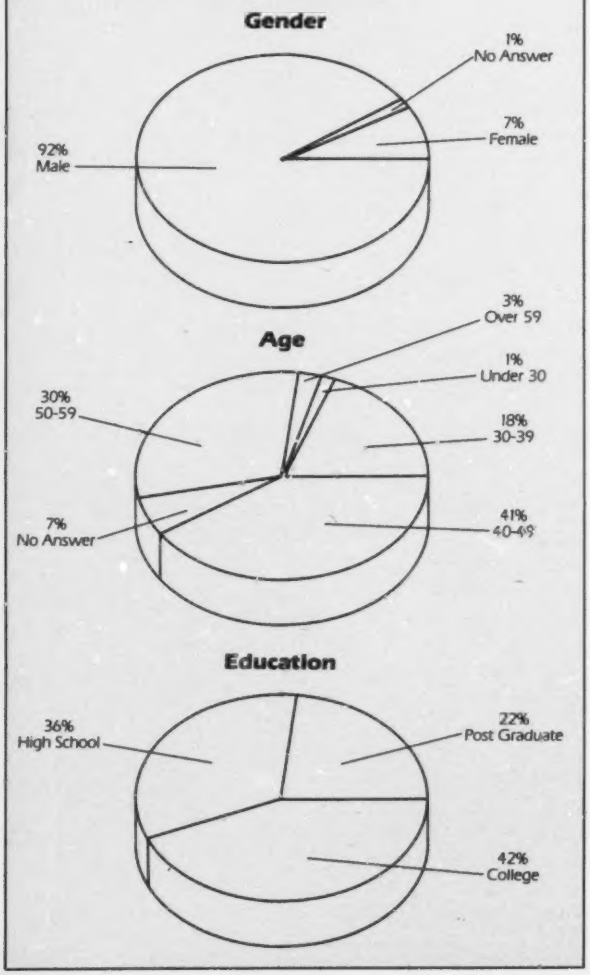
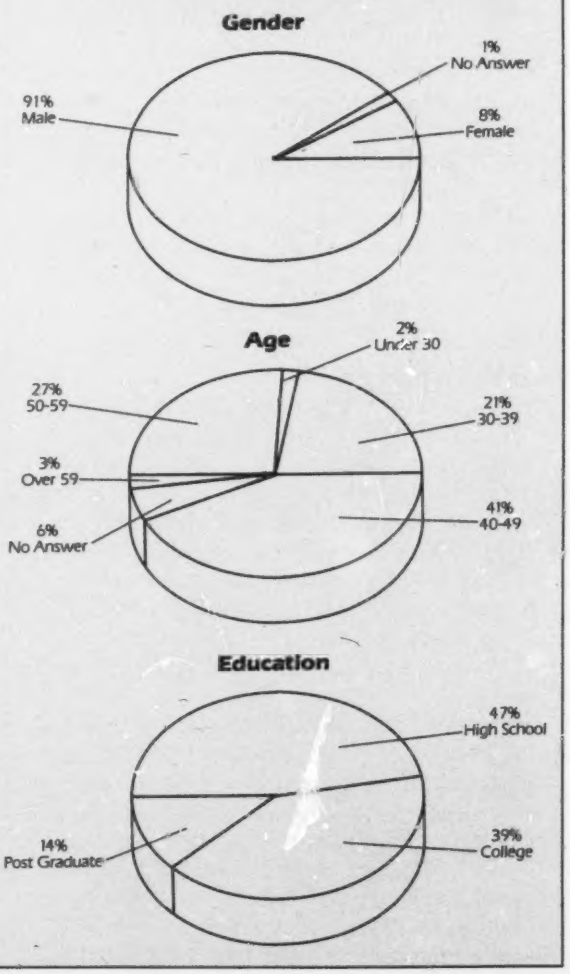


FIGURE 2 THE RESPONSE FROM MANAGERS AND ASSISTANT MANAGERS
Base = 306



of roughly 7% to 8% of women managers at the lower and middle levels of the BOCs. The proportion of women at the upper rung shrinks to 2%.

Given that there is no decline in the proportional representation of women between the first and the second management levels (Figures 2 and 3), gender itself must not be a barrier to advancement at the lower management level.

The drop-off at the upper level may suggest that gender is a barrier at that point. But it also may reflect the importance of experience in landing more senior jobs and the relative lack of experience of women managers at the lower levels.

Barriers based on experience are temporary, assuming that a sufficient number of women managers are hired at the lower levels and progress through the ranks. Our survey suggests that at least the latter condition is being met.

Salary surveys in the next several years

continued on page 45

FIGURE 3 THE RESPONSE FROM DISTRICT AND DIVISION MANAGERS

Base = 84

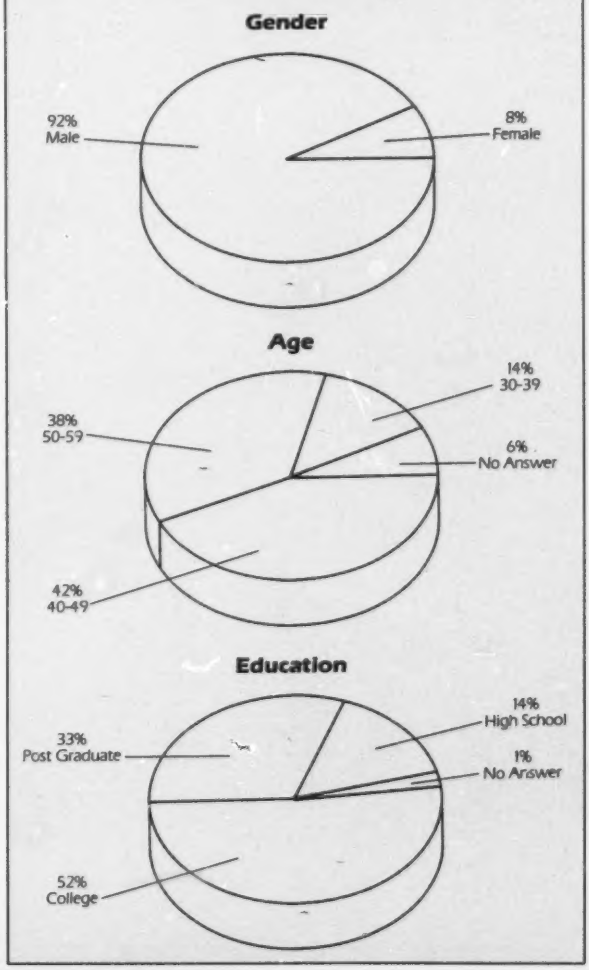
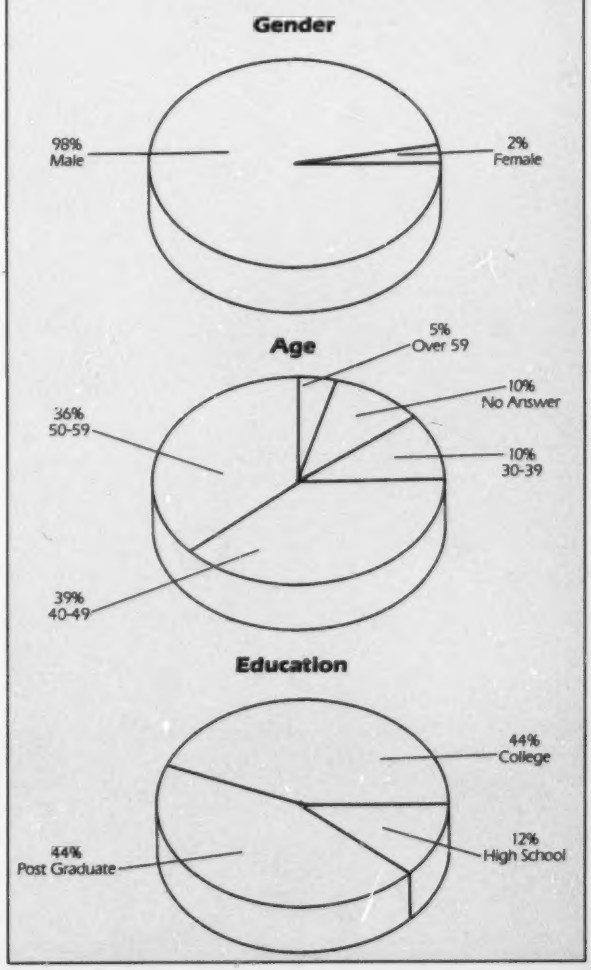
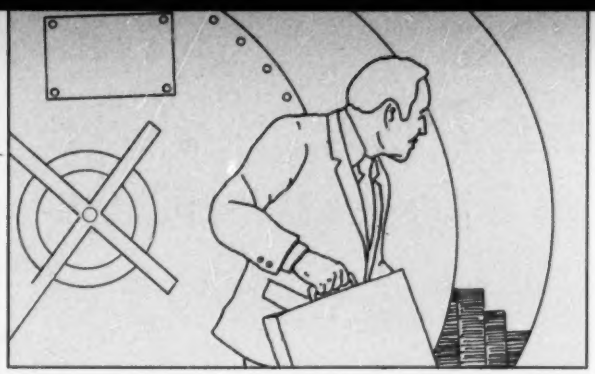


FIGURE 4 THE RESPONSE FROM ASSISTANT DIRECTORS AND DIRECTORS

Base=59





should prove whether or not women managers are being allowed to obtain the experience necessary for steady promotion—and whether or not they are, in fact, getting those promotions.

Age. Of the total sample, 18% of respondents were in their 30s, 41% were in their 40s and 33% were 50 and above.

At the lower two management levels identified in this survey, managers tend to be younger. At the upper level, they tend to be older. The percentage of managers in their 30s declines steadily from 21% to 14% to 10% in Figures 2, 3 and 4, respectively. The percentage of managers in their 40s is stable, moving up from 41% to 42% and down to 39% over the three management groups. The percentage of managers over 50 increases steadily from 30% to 38% to 41% in Figures 2, 3 and 4, respectively.

The uniformity of these results strongly reinforces the perception that BOCs place a great value on experience in promoting managers. Responsibility, experience and earnings go hand-in-hand-in-hand in the Bell environment.

The experience BOCs value most is experience gained in a specific BOC. In other words, BOCs tend to promote not only experienced people but people from within. The questionnaires are replete with respondents who have spent their entire careers with a single BOC.

Education. There is no question about it: Education is the engine that drives earnings performance in the contemporary BOC environment.

The number of managers who did not go beyond high school is largest at the lower of the three management levels identified in Figures 2, 3 and 4. The number of managers who have post-graduate degrees is largest at the highest of the three management levels.

The key to career progress is a college education. More than half—64% to be precise—of all respondents have a college education, compared to 36% who have a high school education. A full 22%—nearly one-quarter—of all respondents have post-graduate degrees.

The further up the organizational chart one goes, the more likely it is the respondent has a college degree and a post-graduate degree. For instance, Figure 2 demonstrates that 53% of respondents categorized as assistant managers or managers have college degrees and 14% have post-graduate degrees. A striking 85% of district and division managers have college degrees and 33%, or one-third, have post-graduate degrees.

At the highest level of the survey, covering directors and assistant directors, the numbers are even more eloquent. A full 88% have college degrees and 44% have post-graduate degrees. Nearly nine out of 10 managers in this category have college degrees and fully half of the college graduates went on to complete post-graduate work.

Want to become a successful BOC manager? Go to school and stay there for a long time. Then get experience with a single BOC.

Follow that formula, and the odds are you'll succeed eventually, whether you are a woman or a man. □

What They Like About Their Work

BOC managers are motivated by many things.

Respondents to *Telephony's* salary questionnaire were asked to identify which part of their job was most important to them. The answers are all over the lot.

Many respondents say providing quality service is most important. Others say creating a rewarding environment for the people they supervise is most important.

A significant group say staying on top of new technology tops their priority list. Others say meeting their manifold management responsibilities comes first. Some stress the freedom to innovate as their major focus. And still others acknowledge that their most important priority is wielding authority.

Two responses are particularly noteworthy.

A gentleman from the West wrote a long and thoughtful response. He begins his response with a forthright statement: "These days, just being able to have a job to keep coming to is real important."

Another respondent, undoubtedly busy, wrote a one-word answer when asked what was most important about his job.

"Power," he says. And probably means every word.